



A PHL Company

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Ms. Alisa C. Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
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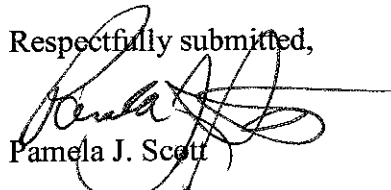
Re: PSC Docket No. 11-330 – Delmarva Power & Light Company's
Energy Wise Rewards Residential Direct Load Control Program –
Third Quarter 2014 Report

Dear Ms. Bentley:

Enclosed for filing is Delmarva Power & Light Company's Third Quarter 2014 Report in the above-referenced docket. This filing is being made in compliance with ordering Paragraph No. 4 of Order No. 8253 in Docket No. 11-330.

Should you have any questions, please feel free to contact me at the number referenced above.

Respectfully submitted,


Pamela J. Scott

Enclosure

cc: Service List in Docket 11-330

DOCKET NO. 11-330

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Delmarva Power
New Residential Air Conditioner Cycling Program
Quarterly Performance Report
July – September 2014
Order No. 8253

Submitted by: Delmarva Power
On: October 31, 2014

Program Implementation Status

1. Program Authorization: The New Residential Air Conditioner Cycling Program was approved on December 18, 2012 by Order No. 8253.
2. Launch of the Program Website and Program: The website became operational on April 11, 2013. Customer Education materials and *Energy for Tomorrow* (EFT) conversion materials were created, produced and distributed to support the launch of the Program in early April of 2013.

Device Goals

- 19,600 installed devices in the Program by the end of 2013.
- 41,200 installed devices in the Program by the end of 2014.
- 51,500 installed devices in the Program by the end of 2015.

Enrollments and Installations

The recruitment of customers for the Program began in April 2013, with the installation of equipment following in short order as the customers enrolled and scheduled installation appointments.

The EFT-to-EWR (Energy Wise Rewards) conversion was the primary recruitment tool in 2013 and installations associated with this process were mostly complete by the end of Q1 2014. The Company also recruited customers through the joint Energy Wise Rewards and Peak Energy Savings Credit program educational materials and advertising campaign advising customers of the “2 Ways to Save” energy and money.

The Company began door-to-door recruitment for Energy Wise Rewards participation in Q1 2014 in New Castle County and in Q3 2014 in Kent and Sussex counties. Out-bound calling began in all three counties – Kent, New Castle and Sussex in Q2 2014. These recruitment efforts will be used in conjunction with the joint Peak Energy Savings Credit awareness activities in 2014 to encourage customer participation.

The table below of monthly enrollments is provided in accordance with Delmarva Power's response to Staff's data request PSC-JCZ-7 in Docket No. 13-115, submitted on July 26, 2013. Enrollments signify a customer's request to participate in the program, as well as the non-opt-outs in the EFT-to-EWR conversion process.

Program Enrollments

Month	Customer EWR Enrollment Requests	EFT Conversion to EWR Enrollments*	Total EWR Enrollments
April-13	242	0	242
May-13	569	3,581	4,150
June-13	1,142	6,170	7,312
July-13	1,990	4,098	6,088
August-13	1,181	6,926	8,107
September-13	620	3,267	3,887
October-13	721	8,475	9,196
November-13	140	11,335	11,475
December-13	378	3,258	3,636
Total 2013	6,983	47,110	54,093
January-14	1,081	1,652	2,733
February-14	2,776	1,497	4,273
March-14	1,611	0	1,611
April-14	4,169	0	4,169
May-14	2,693	0	2,693
June-14	1,314	0	1,314
July-14	1,990	0	1,990
August-14	1,439	0	1,439
September-14	790	0	790
Total 2014	17,863	3,149	21,012
Total	24,846	50,259	75,105

* It is important to note that the process for converting from Energy for Tomorrow to EWR takes between 10 and 12 weeks from the first notification to the customer to the installation of the device. This is largely due to the defined number of steps in the conversion process to ensure that customers receive the proper level of notification about the program to understand it and to make a decision as to whether to proceed or opt out. A customer is considered "enrolled" in the program after completion of the 3rd out of 4 notification steps, and remains enrolled for 6 weeks as the notification process is completed.

The EFT Conversion to EWR Enrollment process was completed in Q1 2014 and no additional enrollments into the EWR program will occur from this process.

The table below lists the actual installations to date and the forecasted installations for the remainder of the Program. The EWR program has surpassed its year end 2014 device goal by more than 5,000 devices.

Installation Goals		
	Target	Actual
1Q 2013	-	-
2Q 2013	4,350	1,051
3Q 2013	7,650	9,667
4Q 2013	7,600	10,530
Total	19,600	21,248
1Q 2014	5,400	7,852
2Q 2014	5,400	9,811
3Q 2014	5,400	7,880
4Q 2014	5,400	
Total	21,600	25,543
1Q 2015	5,400	
2Q 2015	4,900	
3Q 2015	-	
4Q 2015	-	
Total	10,300	-
Program to Date	35,800	46,791

Customer Education/Awareness

1. Program and Customer Education Materials:

- The direct mail materials for EFT-to-EWR participant conversion began in April 2013 and continued through Q4 2013. Device installations for former EFT customers were completed in Q1 2014 with the exception of customers who required installation appointments due to their desire for a thermostat or their A/C unit was inaccessible.
- The direct mail materials for the 2013 Peak Energy Savings Credit (PESC) and EWR joint customer education campaign began in June 2013 and concluded in September 2013.

- The 2013 PESC and EWR joint advertising campaign was conducted July 2013 through September 2013. The campaign used print ads, TV spots, radio spots and billboards throughout the state.
- The direct mail materials for the Spring EWR recruitment were completed in March and April 2014. This recruitment effort was in conjunction with the PESC and EWR joint customer education campaign that occurred during the summer months.
- The 2014 PESC and EWR customer education and recruitment campaign began in June 2014 and was completed in September 2014.
- The 2014 PESC and EWR joint advertising campaign also began in June 2014 and concluded in August 2014. The campaign included web advertising, billboards, newspaper print ads and bus transit shelter ads.
- The direct mail for the Fall EWR recruitment campaign will begin in October 2014 and conclude in November 2014. This is the final recruitment effort for 2014.

2. The website was available for customer enrollments beginning in April 2013.

Program Cost Data

Table 1 below provides Program cost detail by quarter and Program to date.

**Delmarva Power Delaware
Residential Air Conditioner Direct Load Control (DLC) Program
Quarterly Performance Report
Through September 2014**

	O&M Program Costs		Customer Program Costs		Marketing Program Costs		Customer Incentives Program Costs		Customer Annual Incentives Program Costs		Program Totals		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
1Q 2013	\$ 290,820	\$ 92,678	\$ -	\$ -	\$ 326,154	\$ 27,135	\$ -	\$ -	\$ -	\$ -	\$ 618,974	\$ 119,811	\$ (497,163)
2Q 2013	\$ 408,008	\$ 183,170	\$ 1,026,444	\$ 65,407	\$ 1,043,588	\$ 391,812	\$ 248,400	\$ 41,550	\$ -	\$ -	\$ 2,728,440	\$ 681,658	\$ (2,046,782)
3Q 2013	\$ 408,009	\$ 181,199	\$ 1,073,550	\$ 1,283,735	\$ 733,844	\$ 567,675	\$ 405,000	\$ 408,140	\$ -	\$ -	\$ 3,220,403	\$ 2,440,740	\$ (779,663)
4Q 2013	\$ 408,009	\$ 269,895	\$ 1,073,550	\$ 2,156,215	\$ 570,784	\$ 315,747	\$ 405,000	\$ 453,450	\$ -	\$ -	\$ 3,057,323	\$ 3,215,107	\$ 157,784
2013 Totals	\$ 1,514,846	\$ 726,748	\$ 4,373,544	\$ 3,515,357	\$ 2,674,350	\$ 1,302,369	\$ 1,058,400	\$ 913,150	\$ -	\$ -	\$ 9,621,140	\$ 6,457,625	\$ (3,163,515)
1Q 2014	\$ 369,092	\$ 228,825	\$ 1,204,956	\$ 1,017,168	\$ 350,000	\$ 143,498	\$ 291,800	\$ 320,820	\$ 12,000	\$ -	\$ 2,237,648	\$ 1,710,314	\$ (527,334)
2Q 2014	\$ 369,092	\$ 146,089	\$ 1,204,956	\$ 1,959,321	\$ 940,000	\$ 466,492	\$ 291,800	\$ 385,650	\$ -	\$ -	\$ 2,805,048	\$ 2,957,752	\$ 152,704
3Q 2014	\$ 369,092	\$ 159,498	\$ 1,204,956	\$ 1,493,965	\$ 500,000	\$ 749,757	\$ 291,800	\$ 342,180	\$ -	\$ 4,231	\$ 2,365,048	\$ 2,746,619	\$ 381,571
4Q 2014	\$ 369,091	\$ -	\$ 1,204,956	\$ -	\$ 300,000	\$ -	\$ 291,800	\$ -	\$ 85,000	\$ -	\$ 2,310,847	\$ -	\$ (2,310,847)
2014 Totals	\$ 1,476,367	\$ 534,373	\$ 4,815,824	\$ 4,470,854	\$ 2,160,000	\$ 1,359,777	\$ 1,166,400	\$ 1,048,650	\$ 97,000	\$ 4,231	\$ 9,719,591	\$ 7,416,685	\$ (2,302,906)
2015 Totals	\$ 1,340,334	\$ -	\$ 2,298,342	\$ -	\$ 1,030,000	\$ -	\$ 555,200	\$ -	\$ 85,000	\$ -	\$ 5,309,879	\$ -	\$ (5,309,879)
2016 Totals	\$ 556,084	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,084	\$ -	\$ (806,084)
Program Totals	\$ 4,887,631	\$ 1,261,122	\$ 11,491,710	\$ 7,986,011	\$ 6,114,350	\$ 2,661,146	\$ 2,781,000	\$ 1,961,800	\$ 182,000	\$ 4,231	\$ 25,456,691	\$ 13,874,310	\$ (11,582,381)

The Budget columns reflect the current projections of when costs will occur, based on the timing of the launch of the program.
The O&M column reflects the total of the Contracted Support, Program Administration, Maintenance Services, and Evaluation columns from the original filing.
The original Participant Credit column has been split into Customer Installation Credit and Customer Annual Incentives.
Customer Annual Incentives reflects credits to Third Party Supplier customers who did not participate in the Peak Energy Savings program, but did participate in Energy Wise Rewards.
Customer Annual Incentives budget has been updated to align with the approved program budget. In the event that the number of customers with a Third Party Supplier increases the budget may need to be revised to support the change in customer base.
The Customer Annual Incentives that were budgeted in 2013 were moved to 2014.
Customer Annual Incentive payments are designed to be paid at the end of the season to EWR participants that have a Third Party Supplier as their electric provider.
In 2013 due to an Information Technology miscoding issue, the automated process did not occur. The issue has been resolved and the 2013 seasonal credits were applied to customers August/September bill cycle and the 2014 seasonal credits will be applied in Q4 2014.
In the 4Q report of each year, the budget for the subsequent year will be broken out by quarter.

Revenues

PJM market earnings for EWR began accruing June 1, 2014. The total earnings for the reporting period of July 1 to September 30 are \$215,664.